

STATE OF COLORADO

DIVISION OF HOUSING

Kathi Williams, Director



STATE HOUSING BOARD MEETING
Colorado Housing and Finance Authority
1981 Blake St., Denver, CO
Tuesday, April 10, 2007

AGENDA

1:00pm Convene SHB Meeting\Approval of Minutes Suzanne Anarde
 Director's Comments Kathi Williams

Application Presentations

Time	Project Number	Project Name	Presenters
1:15 p.m.	07-050	Larimer Home Ownership Program	Amy Irwin/Denise Selders
1:30 p.m.	07-053	Long's Peak Energy Conservation Rehab Program	Amy Hollander/Ann Watts
1:45 p.m.	07-047	Rocky Mountain Community Land Trust/ Scattered Site Homeownership Acquisition	Robert Koenig/Antoniette Estrada
2:00 p.m.	07-027	La Grace Apartments/ Revolving Loan Fund Loan	Getabecha Mekonnen/Ann Watts

Approval Process

2:15 p.m. 07-050 07-053 07-047 07-027

Other Business

2:30 p.m. FY 2008 PHA Plan Approval Teresa Duran
 Housing Need and Supply Kathi Williams

Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Mary Miller at (303) 866-2978 by April 9, 2007.

cc: Susan Kirkpatrick CHATS Teresa Duran Kathi Williams
 Rick Hanger Lynn Shine Steve Bernia State Housing Board Members

STATE HOUSING BOARD MINUTES
1313 Sherman St., Room 318, Denver CO
Tuesday, March 13, 2007

BOARD MEMBERS PRESENT – Suzanne Anarde, Theo Gregory, Sally Hatcher, Jack Kelly, Mike Rosser

BOARD MEMBERS ABSENT: None

DOH STAFF PRESENT – Kathi Williams, Mary Miller, Rick Hanger, Ryan McMaken, Doug Selbee

CALL TO ORDER – The meeting was called to order at 1:00 p.m.

APPROVAL OF MINUTES: Minutes of the February 2007 meeting were approved.

DIRECTOR'S COMMENTS:

Board Members up for re-appointment should rest assured that you have the governor's support, although no hearings have been scheduled. Director Williams will let you know as soon as she hears something.

Ryan will give a report at the end of the meeting about Foreclosure Prevention.

Numbers for summer homeless count have been released. The prevalent homeless person in Colorado is not a single male alcoholic; in fact, 2 out of 3 homeless people are members of a family. On a statewide average, 53% of the homeless people in Colorado have a job of some sort. The two reasons most frequently cited for homelessness were (1) the high cost of housing and (2) mental illness or physical disability. This information will help us start working toward a statewide plan to better deal with homelessness.

Information from the winter count should be available in another 30-60 days. We will be looking to see if the populations and profiles are similar and will report that information to you as soon as we have it.

We have recently completed several vacancies surveys that are now posted on our web site. The Market rate survey statewide and one done in conjunction with the Denver Apartment Association continue to show a high vacancy rate. The new affordable housing report, a survey of subsidized units, is broken out by affordability level. It shows that units for 30% AMI and below are 100% full, but those at 60% AMI and market rates units are sitting vacant. At next meeting, Director Williams will present a report that Tom Hart's group has done for the Division, and will talk about Area Median Income vs. Renter Median Income. It helps explain why some of our projects are struggling. A new Single-family Rental Housing Survey is also available. All of the vacancy surveys are available on our website. The most recent news and events are also available on the web site.

The Legislature will take up the budget sometime next week.

Some names for new Board member have been forwarded to the Governor's Boards and Commissions person, but we haven't heard back from her yet. Don Marostica is very disappointed that he is not being reappointed but he remains a staunch supporter of affordable housing.

On April 25th, Open House for Legislators will be held. The Board is invited to attend. The Governor will be visiting DOLA offices on the April 26th, and members are welcome to attend that as well.

APPLICATIONS REVIEWED IN MARCH:**Name: Town of Fowler - SFOO Rehabilitation Program****Project Number: 07-049****Project Manager & Address:**

Ms. Ramona Stites
Tri-County Housing and Community Development Organization
P.O. Box 87
Fowler, Colorado 81039

(719) 263-5168 telephone
(719) 263-5460 fax
email: monie@tchcdc.org

Project Address: Various**Project Description:**

The Town of Fowler, on behalf of the Tri-County Housing and Community Development Organization (TCHCDC), is requesting a grant of \$441,110 to continue the funding of their three-county (Bent, Crowley and Otero) Single-family, Owner-Occupied Rehabilitation Program for households at 80% of Area Median Income or less. The current contract for this program ends on March 31, 2007. The new grant funds will be used to provide low-interest loans for 40 rehabilitation projects and 20 essential repairs. This SFOO Rehabilitation Program has received funding from the Colorado Division of Housing since 1991 and has completed the rehabilitation of over 260 owner-occupied homes.

Staff Recommendation: Full Funding**Date of Meeting:** March 13, 2007

Anarde	Full Funding	Rosser	Full Funding
Kelly	Full Funding	Hatcher	Full Funding
Gregory	Full Funding		

The Board approved full funding for this project.

Name: 501 Lincoln Apartments**Project Number: 07-038****Project Manager & Address:**

Brent C. Synder, President Century Real Estate
Matt Buettner (contact)
Lincoln Housing Partners, LLP
2330 Broadway, Suite 103
Denver, CO

Telephone: 303-629-1221
Fax: 303-629-1221

Project Address:

501 Lincoln Street , Denver, CO 80205

Project Description:

Lincoln Housing Partners, LLP is requesting a \$450,000 loan, (1% at 40 years, deferred until year 4) for the construction of a seven story, 75 unit rental development of approximately 66,297 SF of living space. The unit and income mix for the proposed development is: 24, 753SF one-bedroom, (2 at 30%, 13 at 40% and 9 at 50%), and 51, 955SF two bedroom, (3 at 30%, 27 at 40% and 21 at 50%). Project location is 501 Lincoln Street, Denver, CO and includes covered parking (110 spaces), common areas (laundry room, exercise room, community room) and commercial space. The building design has been incorporated with low e coated glazing for energy efficiency, as well as native landscaping with storm water management for surface water capture and controls release.

Staff Recommendation: Loan of \$450,000 at 1%, term 40 years, payments starting in year 2013. All deferred interest to be recaptured in a balloon payment or upon resale or refinancing of the property.

Kelly	Full Funding	Gregory	Full Funding
Hatcher	Full Funding	Anarde	Full Funding
Rosser	Full Funding		

The Board approved full funding for this project.

Name: Housing Solutions for the Southwest (HSSW)**Project Number: 07-042****Project Manager & Address:**

Kim Welty, Interim Director,
Housing Solutions for the Southwest
295 Girard St., Durango, CO 81303

Telephone: (970) 259-1086
kwelty@sw housingsolutions.com

Project Description:

HSSW is requesting a \$25,000 predevelopment loan for a 20-unit HUD 202 project to be constructed as an additional phase of a senior independent living facility in Pagosa Springs, CO. HSSW hired Mary Anderies to complete the 202 application and has received a reservation. The site will be leased at a nominal rate (\$10 per year for 75 years) from the owner of the existing facility, the Archuleta County Housing Authority, who will manage the new units. The predevelopment loan, according to the HOME regulations, can be forgiven if the project does not prove to be feasible. The no interest, no origination fee, non-amortizing loan will become due and payable in full upon the close of permanent financing, if the project does prove to be feasible.

Staff Recommendation: Full funding of a non-amortizing \$25,000 HOME loan bearing no interest, with no origination fee, due and payable upon close of permanent financing for the 20-unit HUD 202 project.

Kelly	Full Funding	Gregory	Full Funding
Hatcher	Full Funding		
Rosser	Full Funding		
Anarde	Abstain		

The Board approved full funding for this project.

OTHER BUSINESS:

Ryan McMaken updated the Board on progress toward implementing the recommendations of the Blue Ribbon Panel. Detailed notes on that progress were distributed. In addition, he updated information about the Foreclosure Prevention effort, including a report on foreclosures in Colorado. Please refer to his reports for more detail.

The meeting adjourned at 2:45p.m.

APRIL PROJECT PRESENTATIONS:

Name: Larimer Home Ownership Program
Down Payment Assistance

Project Number: 07-050

Project Manager & Address:

Nina Baumgartner
CDBG Program Manager
Larimer County HHS Division
1525 Blue Spruce Dr.
Fort Collins, CO 80524
(970) 498-6875 telephone
(970) 498-6845 fax
nbaumgartner@larimer.org

Amy Irwin
Home Ownership Program Manager
Housing Authority of City of Loveland
375 W. 37th St., Suite 200
Loveland, CO 80538
(970) 635-5931 telephone
(970) 278-9904 fax
airwi@lovelandhsg.org

Project Address: Various in Larimer County (outside of the City of Fort Collins)



Project Photo:

Project Description: Larimer County is requesting a grant of \$200,000 on behalf of the Larimer Home Ownership Program (LHOP), which is operated by the Housing Authority of the City of Loveland (HACOL), in continuance of their existing down payment assistance program. These grant funds will be used to provide approximately 35 low-interest loans to assist first-time buyers in the purchase of homes. Neighbor to Neighbor (N2N), a HUD & CHFA certified housing counseling agency, provides both pre-purchase and post-purchase home buyer education.

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Home Mortgages Leveraging Est.	\$4,900,000		\$4,900,000	Mortgage Lenders	Pending
Down Payment Assistance Loans	\$287,000	\$159,000	\$128,000	Program Income	Committed
General Operations	\$29,750		\$21,950	HACOL	Committed
			\$2,500	Larimer County	Committed
			\$1,000	CARHOF '06 – '07	Committed
			\$1,000	Realtors/Lenders	Pending
			\$2,000	CARHOF '07 – '08	Pending
			\$1,300	Town of Wellington	Pending
Salaries/Fringe	\$19,100	\$14,000	\$100	CARHOF '06 – '07	Committed
			\$5,000	City of Loveland	Pending
Loan Servicing	\$27,000	\$27,000		CDOH	Pending
Home Buyer Education	\$900		\$900	Neighbor to Neighbor	Committed
Totals	\$5,263,750	\$200,000	\$5,063,750		

STAFF ALLOCATION PLAN

Staff Position	Total Salary & Fringe	% of Time Home Ownership	% of Time Home Improvement	% of Time Development	% of Time Other Programs	% of Time TOTAL
Program Manager	\$64,621	15%	38%	32%	15%	100%
Acctg. Staff #1	\$83,784	3%	2%	25%	70%	100%
Acctg. Staff #2	\$66,914	4%	2%	5%	89%	100%
Acctg. Staff #3	\$53,358	5%	4%	4%	87%	100%
Acctg. Staff #4	\$52,856	4%	3%	0%	93%	100%
Totals	\$321,533	\$19,100				

PROJECT ASSESSMENT FOR DOWNPAYMENT ASSISTANCE

Criteria	Project Data			DOH Range
Down Payment Financing				
Value of Current Loan Portfolio	\$858,073			
Total # of Loans in Portfolio	150			
# of Deferred Loans in Portfolio	5			
Value of Loans Deferred until Sale or Transfer	\$83,818 10% of Portfolio Value			Up to 50% (100% can be deferred up to 5 yrs)
Annual Program Income	\$96,000			
Total # of New Loans	35			
New Loans from Program Income	16 / 46%			
New Loans from CDOH Grant	19 / 54%			
Homebuyers Equity	1% or \$1,000 minimum			\$500 minimum
Maximum CDOH Loan Amount	\$10,000 (\$20,000 for 50% AMI)			4.5% - 8.5% of FHA Limit
Loan Terms & Rates	0 – 2%, up to 10 years			
Market				
Qualifying Household Income	\$34,600 - \$55,350			50%-80% AMI, 4 people
# of Affordable Homes For Sale	420 at or below \$190,000			Affordable at 80% AMI
Average price of homes for sale	\$268,165			
Max. Purchase Price of Homes	\$120,000 – \$190,000			95% of FHA Limit
# of Applicants on Waiting List	No waiting list			
Geographic Distribution of Projects vs. Population	<u>Place</u>	<u>% Pop</u>	<u>% Loans</u>	
	Loveland	41%	50%	
	Fort Collins	13%	20%	
	Wellington	4%	18%	
	Larimer Cty	42%	12%	
Program Operations				
Administrative Cost/New Loan	\$400 from CDOH funds			\$300 – 500 per new loan or actual admin cost
CDOH Funding Eligibility	CDBG			

Comments:

- **Management Capacity**

Pro:

1. The Housing Authority of the City of Loveland (HACOL) has operated the Larimer Home Ownership Program (LHOP) since 1997 and has provided down payment assistance loans to over 500 families.
2. Neighbor to Neighbor (N2N), a HUD & CHFA certified housing counseling agency, provides both pre-purchase and post-purchase training to first-time home buyers in the LHOP program. N2N recently added a Mortgage Default Counseling Program.

Con: None.

- **Public/Private Commitment**

Pro:

1. The City of Loveland CDBG, CARHOF, Larimer County, and Neighbor to Neighbor have committed funds or in-kind services to this project. In addition, the Housing Authority of the City of Loveland provides office space, computer usage, receptionist services, general office equipment, accounting services, utilities, postage and mileage costs to LHOP.
2. LHOP also receives in-kind support from local lenders and Realtors (marketing).

Con: None.

- **Market Demand**

Pro:

1. The median sales price for single-family homes in the Loveland area of Larimer County has increased 8% in the last year to the current price of \$268,165. Only 24% of the Larimer County housing stock is affordable to those at 80% AMI or less and thus creates the demand for this Program.

Con: None.

- **Explain Variances from Ranges: None.**

- **Other projects funded in Larimer County since 4/06:**

- 2/07 – Neighbor to Neighbor/CHDO Operating, grant \$134,700
- 1/07 – Fort Collins Housing Authority/Stadium Apts, grant \$480,000
- 10/06 – Fort Collins Housing Authority/TBRA, grant \$747,130
- 6/06 – Estes Park Housing Authority/Vista Ridge, loan \$900,000
- 5/06 – Retirement Housing Foundation/Harvest Pointe, grant \$700,000

Other projects funded for Larimer County (as applicant) since 4/06: None**Larimer County AMI:** \$68,200**Staff Recommendation:** Full Funding

Date of Meeting: 4/10/07

Anarde		Kelly	
Gregory		Rosser	
Hatcher			

Name: Long's Peak Energy Conservation Rehab Program

Project Number: 07-053

Project Manager & Address: Amy Hollander, Director
Long's Peak Energy Conservation
2450 Central Ave., Suite J
Boulder, CO 80301
(303) 441-3829 telephone
(303) 441-3891 fax
ahollander@co.boulder.co.us

Project Address: Boulder & Broomfield Counties, outside the Cities of Boulder & Longmont

Project Description: Boulder County is requesting a grant of \$200,000 on behalf of Long's Peak Energy Conservation (LPEC), a division of the Boulder County Housing Authority. LPEC would use the funds to continue an existing revolving loan rehabilitation program for owner-occupied homes in Boulder County, and to expand it into Broomfield County. They plan to rehabilitate 12 homes and to use local funds to provide 4 grants for emergency repairs. All households will be under the HUD Low-Income Limit (80% AMI), which is actually 68.5% of the AMI in Boulder.

PROGRAM BUDGET

Program Activities	Total Program Cost	State Funds Requested	Other Funds	Source	Status
Rehabilitation	181,000	161,000	15,000	Program Income	committed
			5,000	Boulder County Health	committed
Weatherization	13,380		13,380	Weatherization Program	committed
Emergency Repairs	10,000		10,000	Local contributions	pending
General Operations	9,744	7,744	2,000	Boulder County BOCC*	committed
Indirect	2,500	1,500	1,000	Boulder County HA	committed
Program Staff	29,756	29,756	0		
Totals	246,380	200,000	46,380		

*BOCC = Board of County Commissioners

PROJECT ASSESSMENT FOR SFOO REHABILITATION

Criteria	Project Data	DOH Range
Rehabilitation Financing		
Number of Current Loans	19 for \$143,863	
Number of Deferred Loans	7 for \$11,449 (8% of \$ amount)	up to 25% of loans
Number of Amortized Loans	12 for \$132,414	
Estimated Annual Program Income From Rehab Loans	\$15,000	
Loan Terms and Rates	3% - 5% based on income & loan amount. Term up to 20 years based on ability to pay	0 % to commercial rate
Percent of All Program Costs Covered by Program Income	6% of Total Program Budget	
Rehabilitation Costs		
Average Rehabilitation Cost	\$15,083	\$9,750 to \$25,000
Average Replacements Cost	N/A	Limited to Ave. Rehab Cost
Ave. Emergency Repair Cost	\$2,500	
Market Information		
Number on Waiting List	2	

Comments:

- Management Capacity**

Pro:

1. LPEC has provided weatherization services to Boulder County for 27 years, and to Gilpin & Larimer Counties for 9 years. It has recently also added Broomfield County to their weatherization program. LPEC has provided rehab services to homeowners in the City of Boulder for 6 years, and in the City of Longmont for 3 years.
2. LPEC has run a CDOH-funded rehab program in the rest of Boulder County since September 2004. That contract was for 17 rehabs – they actually completed 20 & have 4 more they will complete under the existing contract.

Con: None.

- Public/Private Commitment**

Pro:

1. Boulder County Health has waived \$5,000 for permit & monitoring fees related to water/sewer work. Boulder County's BOCC has waived \$2,000 in admin fees & the Boulder County Housing Authority has waived \$1,000 of indirect costs.
- 2.,,Other local governments have submitted letters of support & are considering \$10K in requests for financial support. The Cities of Boulder & Longmont already contract with LPEC for \$390,000 annually to provide rehabilitation services within their communities.

Con: None.

- **Market Demand**

Pro:

1. LPEC’s experience operating the Weatherization program indicates great need for rehabilitation services. They also get referrals from LEAP, EFAA, Boulder County Aging Services & other social service agencies. LPEC markets their Weatherization & Rehabilitation programs together using direct mail, newspaper articles, radio & local TV PSA’s, their website, leaflets, quarterly email newsletters & speaking engagements.

Con: None.

Explain Variances from ranges: None.

Other Projects Funded in Boulder County since 4/06:

- 4/06 – Thistle/CHDO Operating, grant \$75,000
- 7/06 – Longmont HDC/Village Place, grant \$800,000
- 10/06 – Thistle/Blue Vista Phase I, grant \$329,280
- 1/07 – Longmont HA/Briarwood Inn, grant \$125,000

Other Projects funded for applicant since 4/06: None.

Boulder County AMI: \$82,500

Staff Recommendation: Full Funding

Date of Meeting: 4/10/07

Anarde		Kelly	
Gregory		Rosser	
Hatcher			

Name: Rocky Mountain Community Land Trust
El Paso County Scattered Site Acquisition

Project Number: 07-047

Project Manager & Address: Mr. Robert Koenig Jr.
Rocky Mountain Community Land Trust
1212 West Colorado Ave.
Colorado Springs, Colorado 80904
(719) 447-9300 telephone
(719) 329-0900 fax
rfkoenigjr@msn.com email

Project Photos:



Property Address: Various in El Paso County

Project Description: Rocky Mountain Community Land Trust (RMCLT) is requesting a grant of \$191,250 to assist in the acquisition of fifteen (15) scattered-site homeownership properties throughout Colorado Springs and El Paso County over a one-year period. Through the Community Land Trust model, the RMCLT acquires and holds title to the land permanently and grants to the homeowner use of the land investment via a 99-year land lease that can be renewed for an additional 99 years. The RMCLT connects with potential homebuyers through the Realtor community, the City of Colorado Springs acquisition/rehabilitation program, and new homebuilders.

PROJECT BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Home Mortgages Leveraging Est.	\$1,920,000		\$1,920,000	Mortgage Lenders	Pending
Property Acquisition	\$671,430	\$191,250	\$180,180 \$300,000	City of CO Springs FHLLB	Committed Pending
Home Buyer Counseling	\$7,875		\$7,875	Housing Counseling Agencies	Committed
RMCLT Operations Budget	\$292,000		\$292,000	Lease Fees, Various Grants/donations	Committed & Pending
Totals	\$2,891,305	\$191,250	\$2,700,055		

PROJECT ASSESSMENT FOR SINGLE-FAMILY ACQUISITION

Criteria	Project Data	DOH Range
Land Trust Financing		
Number of Proposed Acquisitions	15	
Average Cost of Acquisition (Ground Lease Cost)	\$28,800 (approximately 27% of purchase price)	
DOH funds / Unit	\$12,750	Up to 5.1% of FHA Maximum
Homebuyer Equity	\$1,000	\$1,000 or 1%
Length of Affordability Period	99 yrs w/ option for additional 99 yrs	
Market Area Information		
# of Available Affordable Homes	Approximately 850	
Average Market Price of Homes for Sale	\$254,000	
Average Purchase Price of Homes	Approx. \$116,500 (max. \$160,000)	
Qualifying Household Incomes (family of 4)	50% AMI = \$31,700 80% AMI = \$50,700	50% - 80% AMI
Program Operations		
Administrative Cost Per Loan	No DOH funds used for program administration	\$300 – 500 per new loan or actual admin cost
CDOH Funding Eligibility	CDBG	

Comments:

- **Management Capacity:**

Pro:

1. Since 1996, the RMCLT has used the “Community Land Trust” (CLT) model to assist over 135 households to become homeowners.
2. CDOH prior experience with RMCLT grant management has been positive.

Con: None.

- **Public/Private Commitment:**

Pro:

1. The City of Colorado Springs has contributed over \$1,800,000 to assist in the acquisition of properties through the land trust model and also provides funds to support the operations of the RMCLT supportive programs. In addition, El Paso County Housing Authority has contributed over \$850,000 to the land trust model.
2. In addition, Colorado Springs Utilities implements a deferred tap fee program for affordable housing and the City of Colorado Springs waives most development/plan fees for affordable housing.

Con: None.

- **Market Demand:**

Pro:

1. As housing prices continue to outpace personal income, there will continue to be a need for assistance programs for lower-income households in acquiring homes. The RMCLT model is recognized through the current City of Colorado Springs Comprehensive Plan as one of the methods to assist in lower-income households in achieving homeownership.
2. The planned production for this project matches the average annual unit production currently achieved by this program.

Con:

1. The land trust model for home ownership (with the resale restrictions) does not appeal to every potential homebuyer. This limits the number of potential homebuyers interested in the land trust model. The RMCLT completes outreach activities with approximately 40 households for every confirmed land trust homeowner.

Explain variance from the range: None.**Other projects funded in El Paso County since 4/06:**

- 6/06 – Rocky Mountain CLT – Scattered Site Acquisition, grant \$110,000
- 10/06 – Pikes Peak Foreclosure Prevention Partnership, grant \$10,000
- 11/06 – Housing Authority of the City of Colorado Springs – TBRA, grant \$364,009
- 12/06 – Partners in Housing – Capacity Initiative Project, grant \$62,500

Other projects funded for Rocky Mountain Community Land Trust since 06/06:

- 6/06 – Rocky Mountain CLT – Scattered Site Acquisition, grant \$110,000

El Paso County AMI: \$63,100**Staff Recommendation:** Full Funding**Date of Meeting:** April 10, 2007

Anarde		Kelly	
Gregory		Rosser	
Hatcher			

Name: LaGrace Apartments Preservation

Project Number: 07-027

Project Manager & Address: Getabecha Mekonnen, Executive Director
Northeast Denver Housing Center, Inc. (NDHC)
1735 Gaylord St.
Denver, CO 80206
ph: (303) 377-3334
fx: (303) 377-3327
email: gmekonnen@nedenverhousing.org

Project Address: 1642 Pearl St., Denver

Project Photo:



Project Description: In December 2006, CDOH awarded NDHC a \$539,139 grant for acquisition and rehabilitation of the LaGrace Apartments. CDOH staff was subsequently informed by HUD that because the City of Denver's original investment was from HOME funds, CDOH is prevented from using HOME without a waiver from HUD. Therefore CDOH choose to fund this project with all that remained of 2007 HDG funds & to submit a waiver request to HUD for the balance. If HUD approves the waiver, then an award letter & contract for HOME funds will be initiated. If HUD does not approve the waiver, then CDOH intends to use 2008 HDG funds. In order to allow NDHC to proceed uninterrupted with their rehabilitation plans, they have requested that CDOH fund the remaining balance with a loan from the Revolving Loan Fund. They ask to borrow \$428,419 for one year at 0% interest, with no fees.

The property is an attractive, 1890's vintage brick building in need of substantial rehabilitation, previously owned by The Uptown Partnership (TUP). It already has new windows & a roof, but it needs a new electrical system, plumbing system, fire sprinkler system and air conditioning. The common areas and interiors of its 20 units also need to be remodeled. The work is so extensive that the building needs to be vacant for it to be completed, so the applicant is planning to temporarily relocate its occupants. The City & County of Denver's previous funding limits 3 units to 50% AMI, 10 units to 60% AMI, and the rest are unrestricted. In consideration of CDOH's investment, NDHC would add 1 unit at 50% AMI and 5 units at 60% AMI – only 1 unit would be left unrestricted.

PROGRAM BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Acquisition	743,329		458,705	City of Denver	committed
			57,294	CDOH FY07 HDG	committed
			227,330	1st Bank	committed
Appraisal	4,250		4,250	1st Bank	committed
Architect/Engineering	2,500		2,500	1st Bank	committed
Building Permit Fees	4,000		4,000	1st Bank	committed
Payment & Performance Bond	7,130		7,130	CDOH FY07 HDG	committed
Rehabilitation	407,484	354,058	53,426	CDOH FY07 HDG	committed
Landscaping	1,500	1,500			
Contingency	37,016	37,016			
Construction Insurance	3,800	3,800			
Perm Loan Expenses	3,920		3,920	1st Bank	committed
Operating Reserve	12,000	12,000			
Developers Fee	18,500	5,045	13,455	deferred	committed
Relocation	15,000	15,000			
Totals	1,260,429	428,419	832,010		

PROJECT ASSESSMENT FOR Rental Acquisition w/ Rehab

Criteria	Project Data			DOH Range
Building Cost				
Cost/Unit/Sq. Ft.	\$62,665 /Unit	138.41 /SF		\$85 to \$117
Hard Cost/Unit/Sq. Ft.	\$59,666 /Unit	131.79 /SF		\$80 to \$105
Soft Cost/Unit/Sq. Ft.	\$2,999 /Unit	6.62 /SF		\$5 to \$12
Hard/Soft Cost	95% Hard	5% Soft		
Cost Effectiveness Rating				
DOH subsidy/unit	\$26,957			\$2,000 to \$6,500
Annual Cost/Person Rating	\$880	7	50 yrs	1 to 10 Scale
Externality Rating	8			1 to 10 Scale
Rent Savings Rating	33%	6		1 to 10 Scale
Financial Leveraging Rating	1			1 to 10 Scale
Composite Score	22			1 to 40 Scale
Operating Cost				
PUPA	\$3,393			\$3,200 to \$4,200
Debt Coverage Ratio	1.17			1.10 to 1.20
Financial Commitments				
Terms of Primary Financing	7.05%	30 years		

P.V. Tax Credits	N/A	\$.75 to .90
DOH requirements		
Priority	High Growth, Preservation	
Eligibility Criteria	HOME, HDG	

Comments:

• **Management Capacity**

Pro:

1. NDHC is a 24-year old private, nonprofit community development corporation whose mission is to complement affordable housing with healthy communities, focusing on economic self-sufficiency for the families that live in these units. NDHC is a certified housing counseling center, manages over 120 units, and has assisted over 120 families with homeownership. NDHC has developed over 220 units of single-family, acquisition/ rehab home ownership projects and over 100 units of rental and special needs housing.
2. In 1993 NDHC was recognized by the City of Denver for its parenting teen housing development model. In 1999, it was awarded the Colorado Renewable Energy Buildings Award for Affordable Housing, and some of their projects have also received the Homebuilders' Association's Green Built Award for Colorado.

Con:

NDHC recently lost a vacant parcel to foreclosure – they were unable to develop it due to the market.

• **Public/Private Commitment**

Pro:

Denver has agreed to allow NDHC to assume its existing HOME investment. Denver has also agreed to match new CDOH funding with new Denver funds, spread over 4 TUP properties, as follows (\$ are estimates, subject to application review & approval):

	# Units	Denver	CDOH	Total \$	\$/unit
LaGrace	20	0	539,139	539,139	26,957
Logan	35	279,000	0	279,000	7,971
High	15	300,000	0	300,000	20,000
Garfield	36	150,500	190,500	341,000	9,472
TOTAL	106	729,500	729,639	1,459,139	13,765*

*overall average is \$6,883/unit from both Denver & CDOH

Con: None.

• **Market Demand**

Pro:

1. The Denver Metro Multi-Family Housing Vacancy & Rental Survey places LaGrace in the downtown Denver submarket. In the 4th Quarter of 2006, that area's vacancy rate was 6.7% in unrestricted units. Average rent for studios was \$857 & it was \$1,021 for one-bedrooms – almost 2.5 times the rents proposed for this building.
2. According to the Affordable Apartment Vacancy and Rent Survey for the 4th Quarter of 2006, Denver's vacancy rate was 5.2%. Median rent in affordable studios was \$392, and \$658 in one-bedrooms. LaGrace's proposes rents are still much lower.

Con:

NHDC did not commission a 3rd party market study for this project

Explain Variances from ranges:

- **Total cost and hard cost per square foot** are above the range due to the substantial rehabilitation the building requires. These costs are supported by two different capital needs assessments and by a general contractor who specializes in rehabilitation. They also include Davis Bacon wages. The building's appraised value is well above the sales price, even considering the extent of rehab needed.
- **CDOH subsidy per unit** is high due to the agreement with Denver to share costs over 4 TUP properties. Overall, we estimate CDOH's share of the per unit subsidy to be \$6,883.

Other Projects funded in Denver County since 4/05:

• 5/06 – Father Ed Judy House, grant	\$170,000
• 5/06 – NHDC/Central Park Apartments, grant	\$167,800
• 8/06 – Trammel Crow Residential/Reserve at Gates, loan	\$497,000
• 8/06 – Del Norte/Juan Diego, grant	\$200,000
• 10/06 – Trademark LLC/16 th & Colorado Blvd. Apartments, loan	\$300,000
• 10/06 – TBRA, grant	\$2,148,044
• 11/06 – Volunteers of America/Safe Haven, grant	\$350,000
• 12/06 – NHDC/LaGrace Apartments, grant	\$546,269
• 1/07 – DHA/Park Ave 3B, grant	\$490,000
• 3/07 – Lincoln Housing Partners LLP/501 Lincoln Apartments, loan	\$450,000

Other Projects funded for applicant since 4/05:

• 5/06 – NHDC/Central Park Apartments, grant	\$167,800
• 12/06 – NHDC/LaGrace Apartments, grant	\$546,269

Denver County AMI: \$71,400

Staff Recommendation: Full Funding of a 0% loan with \$0 fees, Date of Meeting: 12/12/06
for a term of one year.

Anarde		Kelly	
Gregory		Rosser	
Hatcher			

Project Name: La Grace
Date: 4/5/2007
Applicant: Northeast Denver Housin
Spreadsheet Version: RLF

PAGE #1
Operating Proforma

BEP = Break Even Point	Project Debt Coverage Ratio
Poss D/S @ 1.1 DCR = Possible Debt Service at a 1.1 Debt Coverage Ratio	